

[COMMITTEE PRINT]

OCTOBER 29, 1997

[Text shown is a complete substitute for text of introduced bill.]

105TH CONGRESS
1ST SESSION

H. R. 217

To amend title IV of the Stewart B. McKinney Homeless Assistance Act to consolidate the Federal programs for housing assistance for the homeless into a block grant program that ensures that States and communities are provided sufficient flexibility to use assistance amounts effectively.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 1997

Mr. LAZIO of New York introduced the following bill; which was referred to the Committee on Banking and Financial Services

[Strike out all after the enacting clause and insert an entire new text.]

[For text of introduced bill, see copy of bill as introduced on January 7, 1997.]

A BILL

To amend title IV of the Stewart B. McKinney Homeless Assistance Act to consolidate the Federal programs for housing assistance for the homeless into a block grant program that ensures that States and communities are provided sufficient flexibility to use assistance amounts effectively.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Homeless Housing
5 Programs Consolidation and Flexibility Act”.

6 **SEC. 2. FINDINGS; PURPOSE.**

7 (a) FINDINGS.—The Congress finds that—

8 (1) the United States faces a crisis of individ-
9 uals and families who lack basic affordable housing
10 and appropriate shelter;

11 (2) assistance from the Federal Government is
12 an important factor in the success of efforts by
13 State and local governments and the private sector
14 to address the problem of homelessness in a com-
15 prehensive manner;

16 (3) there are a multitude of Federal Govern-
17 ment programs to assist the homeless, including pro-
18 grams for elderly persons, persons with disabilities,
19 Native Americans, and veterans;

1 (4) many of the Federal programs for the
2 homeless have overlapping objectives, resulting in
3 multiple sources of Federal funding for the same or
4 similar purposes;

5 (5) while the results of Federal programs to as-
6 sist the homeless generally have been positive, it is
7 clear that there is a need for consolidation and sim-
8 plification of such programs to better support local
9 efforts;

10 (6) increasing resources available to reduce
11 homelessness are utilized in the development of serv-
12 ices rather than the creation of housing;

13 (7) housing programs must be evaluated on the
14 basis of their effectiveness in reducing homelessness,
15 transitioning individuals to permanent housing and
16 self-sufficiency, and creating an adequate plan to
17 discharge homeless persons to and from mainstream
18 service systems;

19 (8) effective homelessness treatment should pro-
20 vide a comprehensive housing system (including
21 transitional and permanent housing) and, while not
22 all homeless individuals and families attain self-suffi-
23 ciency and independence by utilizing transitional
24 housing and then permanent housing, in many cases
25 such individuals and families are best able to reenter

1 society directly through permanent, supportive hous-
2 ing;

3 (9) supportive housing activities support home-
4 less persons in an environment that can meet their
5 short-term or long-term needs and prepare them to
6 reenter society as appropriate;

7 (10) homelessness should be treated as part of
8 a symptom of many neighborhood and community
9 problems, whose remedies require a holistic approach
10 integrating all available resources;

11 (11) there are many private sector entities, par-
12 ticularly nonprofit organizations, that have success-
13 fully operated homeless programs;

14 (12) government restrictions and regulations
15 may discourage and impede innovative approaches to
16 homelessness, such as coordination of the various
17 types of assistance that are required by homeless
18 persons; and

19 (13) the Federal Government has a responsibil-
20 ity to establish partnerships with State and local
21 governments and the private sector to address com-
22 prehensively the problems of homelessness.

23 (b) PURPOSE.—It is the purpose of this Act—

24 (1) to consolidate the existing housing pro-
25 grams for homeless persons under title IV of the

1 Stewart B. McKinney Homeless Assistance Act into
2 a single block grant program for housing assistance
3 for the homeless;

4 (2) to allow flexibility and creativity in rethink-
5 ing solutions to homelessness, including alternative
6 housing strategies and an improved service sector;

7 (3) to provide Federal assistance to reduce
8 homelessness on a basis that requires recipients of
9 such assistance to supplement the federally provided
10 amounts and thereby guarantee the provision of a
11 certain level of housing and complementary services
12 necessary to meet the needs of the homeless popu-
13 lation; and

14 (4) to ensure that multiple Federal agencies are
15 involved in the provision of housing, human services,
16 employment, and education assistance both through
17 the funding provided for implementation of the
18 Stewart B. McKinney Homeless Assistance Act and
19 mainstream funding and to encourage entrepreneur-
20 ial approaches in the provision of housing for home-
21 less people.

22 **SEC. 3. GENERAL PROVISIONS.**

23 Title I of the Stewart B. McKinney Homeless Assist-
24 ance Act (42 U.S.C. 11301 et seq.) is amended—

25 (1) by striking section 102;

1 (2) in section 103—

2 (A) in subsection (a), by striking “the
3 term ‘homeless’ or ‘homeless individual or
4 homeless person’ includes” and inserting “the
5 terms ‘homeless’, ‘homeless individual’, and
6 ‘homeless person’ include”; and

7 (B) in subsection (c), by striking “the term
8 ‘homeless’ or ‘homeless individual’ does not in-
9 clude” and inserting “the terms ‘homeless’,
10 ‘homeless individual’, and ‘homeless person’ do
11 not include”; and

12 (3) by redesignating sections 103, 104, and 105
13 as sections 102, 103, and 104, respectively.

14 **SEC. 4. FEDERAL EMERGENCY MANAGEMENT AGENCY**
15 **FOOD AND SHELTER PROGRAM.**

16 Section 322 of the Stewart B. McKinney Homeless
17 Assistance Act (42 U.S.C. 11352) is amended to read as
18 follows:

19 **“SEC. 322. AUTHORIZATION OF APPROPRIATIONS.**

20 “There are authorized to be appropriated to carry out
21 this title such sums as may be necessary for each of fiscal
22 years 1998, 1999, 2000, 2001, and 2002.”.

1 **SEC. 5. PERMANENT HOUSING DEVELOPMENT AND FLEXI-**
2 **BLE BLOCK GRANT HOMELESS ASSISTANCE**
3 **PROGRAM.**

4 (a) IN GENERAL.—Title IV of the Stewart B. McKin-
5 ney Homeless Assistance Act (42 U.S.C. 11361 et seq.)
6 is amended to read as follows:

7 **“TITLE IV—PERMANENT HOUS-**
8 **ING DEVELOPMENT AND**
9 **FLEXIBLE BLOCK GRANT**
10 **HOMELESS ASSISTANCE PRO-**
11 **GRAM**

12 **“Subtitle A—General Provisions**

13 **“SEC. 401. PURPOSE; PERFORMANCE MEASURES.**

14 “(a) PURPOSE.—The purpose of the program under
15 this title is to provide assistance for permanent housing
16 development for homeless persons and promote the devel-
17 opment of a comprehensive housing system that transi-
18 tions homeless persons to live as independently as possible,
19 including assistance in the form of permanent housing de-
20 velopment, supportive housing, emergency shelters, sup-
21 portive services, and activities to prevent homelessness.

22 “(b) PERFORMANCE MEASURES.—Consistent with
23 the purposes and requirements of the Government Per-
24 formance and Results Act of 1993, the programs under
25 this title and the implementation of such programs by the

1 Department of Housing and Urban Development shall
2 comply with the following performance goals:

3 “(1) The Federal Government shall ensure an
4 effective grant allocation process and sound financial
5 management of the process. Such grant allocation
6 process shall be implemented to ensure that—

7 “(A) local governments shall work with the
8 appropriate Local Board to create innovative
9 plans sufficient to address the needs of home-
10 less people in their community; and

11 “(B) all eligible communities receive funds
12 to address the needs of homeless people in such
13 communities through local governments or pri-
14 vate nonprofit organizations.

15 “(2) The financial resources provided under
16 this title shall be used effectively to create more low-
17 cost permanent housing and to transition homeless
18 people to self-sufficiency and permanent housing.

19 “(3) The Federal Government shall use the
20 Interagency Council on the Homeless as a vehicle to
21 coordinate services, programs, and funds to promote
22 the transition of homeless people to self-sufficiency
23 in permanent housing.

1 **“SEC. 402. GRANT AUTHORITY.**

2 “(a) IN GENERAL.—The Secretary may make grants
3 as provided under this title to eligible grantees for States,
4 metropolitan cities and urban counties, consortium, and
5 insular areas for carrying out eligible activities under sub-
6 titles B and C.

7 “(b) GRANT AMOUNTS.—Except as otherwise pro-
8 vided under this title, amounts for a fiscal year allocated
9 under section 406 shall be used as follows:

10 “(1) INSULAR AREAS.—Any amounts for the
11 fiscal year allocated under section 406(a) for an in-
12 sular area shall be used for a grant to the eligible
13 grantee for the insular area for such fiscal year.

14 “(2) PERMANENT HOUSING DEVELOPMENT.—
15 Any amounts allocated under section 406(b) for a
16 State, or metropolitan city or urban county shall be
17 used for a grant under section 406(b) to the State,
18 metropolitan city or urban county, or consortium for
19 such fiscal year.

20 “(3) FLEXIBLE BLOCK GRANT HOMELESS AS-
21 SISTANCE.—Any amounts allocated under section
22 406(c) for a State, metropolitan city or urban coun-
23 ty, or consortium shall be used for a grant under
24 section 406(c) to the eligible grantee for the State,
25 metropolitan city or urban county, or consortium re-
26 spectively, for the fiscal year.

1 “(c) USE FOR ELIGIBLE ACTIVITIES.—Grant
2 amounts provided under this title and any supplemental
3 funds provided under section 407 may be used only as fol-
4 lows:

5 “(1) INSULAR AREA GRANTS.—In the case of a
6 grant under subsection (b)(1) for an insular area,
7 for eligible activities under subtitle C benefiting the
8 insular area.

9 “(2) PERMANENT HOUSING DEVELOPMENT
10 GRANTS.—In the case of a grant under subsection
11 (b)(2) to a State, metropolitan city or urban county,
12 or consortium for eligible activities under subtitle B
13 within the State, metropolitan city or urban county,
14 or consortium, respectively.

15 “(3) FLEXIBLE BLOCK GRANT HOMELESS AS-
16 SISTANCE.—In the case of a grant under subsection
17 (b)(3) for a State, metropolitan city or urban coun-
18 ty, or consortium for eligible activities under subtitle
19 C benefiting the State or city or county and carried
20 out only within nonentitlement areas of the State,
21 within the city or county, or consortium, as applica-
22 ble.

23 **“SEC. 403. ELIGIBLE GRANTEEES.**

24 “For purposes of this title, the term ‘eligible grantee’
25 has the following meaning:

1 “(1) GRANTS FOR INSULAR AREAS.—In the
2 case of a grant from amounts allocated under sec-
3 tion 406(a) for an insular area, such term means—

4 “(A) the insular area, or an agency, office,
5 or other entity of the area; or

6 “(B) to the extent that an entity that is a
7 private nonprofit organization is authorized by
8 the government of the insular area to act as the
9 grantee for the area for purposes of this title,
10 such private nonprofit entity.

11 “(2) GRANTS FOR PERMANENT HOUSING DE-
12 VELOPMENT AND FLEXIBLE ASSISTANCE.—In the
13 case of a grant from amounts allocated under sec-
14 tion 406(b) or section 406(c) for a State, or for a
15 metropolitan city or urban county, such term
16 means—

17 “(A) the State, or the metropolitan city or
18 urban county, respectively, or an agency, office,
19 or other entity of the State, or the city or coun-
20 ty, respectively;

21 “(B) a consortium of units of general local
22 governments which shall be deemed to be a
23 metropolitan city, but only if the Secretary de-
24 termines that the consortium—

1 “(i) is comprised of units of general
2 local government which are geographically
3 contiguous (which may include all units of
4 general local government within a State);

5 “(ii) has sufficient authority and ad-
6 ministrative capability to carry out the
7 purposes of this title on behalf of its mem-
8 ber jurisdictions; and

9 “(iii) will, according to a written cer-
10 tification by the State (or States, if the
11 consortium includes jurisdictions in more
12 than one State) in which its member juris-
13 dictions are located, direct its activities to
14 alleviation of homelessness problems within
15 the State (or States); and

16 “(C) to the extent that a private nonprofit
17 organization is authorized by the government of
18 the State or the city or county under subpara-
19 graph (B) to act as the grantee for the State,
20 or the city or county, respectively, for purposes
21 of this title, such private nonprofit organization.

22 **“SEC. 404. USE OF PROJECT SPONSORS.**

23 “(a) TRANSFER OF GRANT AMOUNTS BY GRANT-
24 EES.—Eligible activities assisted with grant amounts pro-
25 vided under this title may be carried out directly by the

1 grantee or by other entities serving as project sponsors,
2 which are provided such grant amounts by the grantee or
3 a subgrantee of the grantee.

4 “(b) COMPETITIVE SELECTION CRITERIA.—To the
5 extent that a grantee does not use grant amounts for eligi-
6 ble activities carried out directly by the grantee, the grant-
7 ee shall select eligible activities for assistance and project
8 sponsors to carry out such eligible activities pursuant to
9 a competition based on criteria established by the Sec-
10 retary, which shall include—

11 “(1) whether the project sponsor that will carry
12 out the activity is financially responsible;

13 “(2) the ability of the project sponsor to carry
14 out the eligible activity and the project sponsor’s ex-
15 perience in successfully transitioning homeless per-
16 sons into stable, long-term housing;

17 “(3) the need for the type of eligible activity in
18 the area to be served;

19 “(4) the extent to which the amount of assist-
20 ance to be provided with grant amounts will be sup-
21 plemented with resources from other public and pri-
22 vate sources;

23 “(5) the cost-effectiveness of the proposed eligi-
24 ble activity, considered in relation to the ultimate
25 goal of moving people out of homelessness perma-

1 nently, including consideration of high-cost area
2 services, and other necessary amenities;

3 “(6) the extent to which the project sponsor
4 carrying out the eligible activity will coordinate with
5 Federal, State, local, and private entities serving
6 homeless persons in the development of a com-
7 prehensive housing system and in the planning and
8 operation of the activity, to the extent practicable,
9 and pursuant to section 408(j)(3) will carry out the
10 activity in coordination and conjunction with feder-
11 ally funded activities for the homeless;

12 “(7) the extent to which the project sponsor
13 employs homeless persons or involves homeless per-
14 sons or formerly homeless persons in the operation
15 and design of its programs; and

16 “(8) such other factors as the Secretary deter-
17 mines to be appropriate to carry out this title in an
18 effective and efficient manner.

19 **“SEC. 405. COMPREHENSIVE HOUSING AFFORDABILITY**
20 **STRATEGY COMPLIANCE.**

21 “A grant under this title may be provided to an eligi-
22 ble grantee only if—

23 “(1) the applicable jurisdiction for which the
24 grant amounts are allocated under section 406 has
25 submitted to the Secretary a comprehensive housing

1 affordability strategy in accordance with section 105
2 of the Cranston-Gonzalez National Affordable Hous-
3 ing Act and any other requirement established by
4 the Secretary and which is in effect for the fiscal
5 year for which such grant amounts are to be pro-
6 vided; and

7 “(2) the public official of such applicable juris-
8 diction who is responsible for submitting the com-
9 prehensive housing affordability strategy certifies to
10 the Secretary that the eligible activities to be as-
11 sisted with such grant amounts are or will be con-
12 sistent with the comprehensive housing affordability
13 strategy for the jurisdiction and the plans in such
14 strategy for addressing housing needs for homeless
15 families.

16 **“SEC. 406. ALLOCATION AND AVAILABILITY OF AMOUNTS.**

17 “(a) ALLOCATION FOR INSULAR AREAS.—Of the
18 amount made available for grants under this title for a
19 fiscal year, the Secretary shall reserve for grants for each
20 of the insular areas amounts in accordance with an alloca-
21 tion formula established by the Secretary.

22 “(b) ALLOCATION FOR PERMANENT HOUSING DE-
23 VELOPMENT GRANTS UNDER SUBTITLE B.—

24 “(1) ANNUAL PORTION OF APPROPRIATED
25 AMOUNT AVAILABLE.—Of the amount made avail-

1 able for grants under this title for a fiscal year that
2 remains after amounts are reserved under subsection
3 (a), the Secretary shall allocate for use under sub-
4 title B, 25 percent of such funds.

5 “(2) DETERMINATION OF ALLOCATED
6 AMOUNT.—The Secretary shall allocate amounts
7 available for use under subtitle B for a fiscal year
8 pursuant to a national competition based on the cri-
9 teria specified in section 404(b) and in accordance
10 with such other factors as the Secretary determines
11 to be appropriate to carry out this title in an effec-
12 tive and efficient manner.

13 “(c) ALLOCATION FOR FLEXIBLE BLOCK GRANT
14 HOMELESS ASSISTANCE UNDER SUBTITLE C.—

15 “(1) ANNUAL PORTION OF APPROPRIATED
16 AMOUNT AVAILABLE FOR SUBTITLE C ACTIVITIES.—
17 Of the amount made available for grants under this
18 title for a fiscal year that remains after amounts are
19 reserved under subsection (a), the Secretary shall al-
20 locate for use under subtitle C, 75 percent of such
21 funds.

22 “(2) ALLOCATION OF AMOUNT AVAILABLE BE-
23 TWEEN METROPOLITAN CITIES AND URBAN COUN-
24 TIES AND STATES.—Of the amount allocated pursu-
25 ant to paragraph (1) for use under subtitle C for a

1 fiscal year, 70 percent shall be allocated for metro-
2 politan cities and urban counties and 30 percent
3 shall be allocated for States.

4 “(3) INTERIM DETERMINATION OF ALLOCATED
5 AMOUNT.—Except as provided in subsection (e) the
6 Secretary shall allocate amounts available for use
7 under subtitle C for a fiscal year so that—

8 “(A) for each metropolitan city and urban
9 county, the percentage of the total amount allo-
10 cated under this subsection for cities and coun-
11 ties that is allocated for such city or county is
12 equal to the percentage of the total amount
13 available for the preceding fiscal year under
14 section 106(b) of the Housing and Community
15 Development Act of 1974 for grants to metro-
16 politan cities and urban counties that was allo-
17 cated for such city or county; and

18 “(B) for each State, the percentage of the
19 total amount allocated under this subsection for
20 States that is allocated for such State is equal
21 to the percentage of the total amount available
22 for the preceding fiscal year under section
23 106(d) of the Housing and Community Devel-
24 opment Act of 1974 for grants to States that
25 was allocated for such State.

1 “(4) MINIMUM APPROPRIATION REQUIRE-
2 MENT.—If, by December 1 of any fiscal year, the
3 amount appropriated for grants under this title for
4 such fiscal year is less than \$750,000,000—

5 “(A) the Secretary shall not allocate
6 amounts for such fiscal year under subsections
7 (b) and (c);

8 “(B) subsection (d) shall not apply to
9 amounts for such fiscal year; and

10 “(C) notwithstanding any other provision
11 of this title, the Secretary shall make grants
12 under this title from such amounts to States,
13 units of general local government, and private
14 nonprofit organizations, pursuant to a national
15 competition based on the criteria specified in
16 section 404(b).

17 “(5) STUDY; SUBMISSION OF INFORMATION TO
18 CONGRESS RELATED TO ALTERNATIVE METHODS OF
19 ALLOCATION.—Not later than 1 year after the date
20 of the enactment of the Homeless Housing Program
21 Consolidation and Flexibility Act, the Secretary
22 shall—

23 “(A) submit to Congress—

24 “(i) the best available methodology for
25 determining a formula relative to the geo-

1 graphic allocation of funds under this sub-
2 title among entitlement communities and
3 nonentitlement areas based on the inci-
4 dence of homelessness, and factors that
5 lead to homelessness;

6 “(ii) proposed alternatives to formula
7 submitted pursuant to clause (i) for allo-
8 cating funds under this section;

9 “(iii) an analysis of the deficiencies in
10 the current allocation formula described in
11 section 106(b) of the Housing and Com-
12 munity Development Act of 1974, and an
13 analysis of the adequacy of current indices
14 used as proxies for measuring homeless-
15 ness; and

16 “(iv) an analysis of the bases underly-
17 ing each of the proposed allocation meth-
18 ods;

19 “(B) perform the duties required by this
20 paragraph in ongoing consultation with—

21 “(i) the Subcommittee on Housing
22 Opportunity and Community Development
23 of the Committee on Banking, Housing,
24 and Urban Affairs of the Senate;

1 “(ii) the Subcommittee on Housing
2 and Community Opportunity of the Com-
3 mittee on Banking and Financial Services
4 of the House of Representatives;

5 “(iii) organizations representing
6 States, metropolitan cities and urban coun-
7 ties;

8 “(iv) organizations representing rural
9 communities;

10 “(v) organizations representing veter-
11 ans;

12 “(vi) organizations representing per-
13 sons with disabilities;

14 “(vii) members of the academic com-
15 munity; and

16 “(viii) national homelessness advocacy
17 groups; and

18 “(C) estimate the amount of funds that
19 will be received annually by each entitlement
20 community and nonentitlement area under each
21 such alternative allocation system and compare
22 such amounts to the amount of funds received
23 by each entitlement community and nonentitle-
24 ment area in prior years under this section.

1 “(5) MINIMUM GRANT AMOUNT.—Notwith-
2 standing paragraph (2), a State or metropolitan city
3 or urban county shall receive no less funding under
4 this subsection in the first full fiscal year after the
5 date of the enactment of the Homeless Housing Pro-
6 grams Consolidation and Flexibility Act than 90 per-
7 cent of the average of the amounts awarded annually
8 to that jurisdiction for homeless assistance programs
9 administered by the Secretary (not including alloca-
10 tions for shelter plus care and single room occu-
11 pancy programs as defined in, and in effect pursu-
12 ant to, this Act prior to the date of the enactment
13 of the Homeless Housing Programs Consolidation
14 and Flexibility Act) under this title during fiscal
15 years 1994 through 1997, no less than 85 percent
16 in the second full fiscal year after the date of the
17 enactment of the Homeless Housing Programs Con-
18 solidation and Flexibility Act, no less than 80 per-
19 cent in the third and fourth full fiscal years after
20 the date of the enactment of the Homeless Housing
21 Programs Consolidation and Flexibility Act, and no
22 less than 75 percent in the fifth full fiscal year after
23 the date of the enactment of the Homeless Housing
24 Programs Consolidation and Flexibility Act, but only
25 if the amount appropriated pursuant to section 435

1 in each such fiscal year exceeds \$800,000,000. If
2 that amount does not exceed \$800,000,000 in any
3 fiscal year referred to in the first sentence of this
4 paragraph, the jurisdiction may receive its propor-
5 tionate share of the amount appropriated which may
6 be less than the amount stated such sentence for
7 such fiscal year.

8 “(6) MINIMUM STATE ALLOCATION.—Notwith-
9 standing paragraphs (3) and (5), if in any fiscal
10 year the allocation for a State is less than
11 \$2,000,000, the allocation for that State shall be in-
12 creased to \$2,000,000 and the increase shall be pro-
13 vided by deducting pro rata amounts from the allo-
14 cations of States with allocations of more than
15 \$2,000,000.

16 “(7) REDUCTION.—Notwithstanding para-
17 graphs (1) through (6), in any fiscal year, the Sec-
18 retary may provide a grant under this subsection for
19 a State or metropolitan city or urban county, in an
20 amount less than the amount allocated under those
21 paragraphs, if the Secretary determines that the ju-
22 risdiction has failed to comply with requirements of
23 this title, or that such action is otherwise appro-
24 priate.

1 “(d) RECAPTURE OF ALLOCATED AMOUNTS.—Ex-
2 cept as provided in subsection (e), the Secretary shall re-
3 capture the following amounts:

4 “(1) UNUSED AMOUNTS.—Not less than once
5 during each fiscal year, the Secretary shall recapture
6 any amounts allocated under this section that—

7 “(A) are allocated for a State, metropoli-
8 tan city or urban county, or insular area, but
9 not provided to an eligible grantee for the juris-
10 diction because of failure to apply for a grant
11 under this title or failure to comply with the re-
12 quirements of this title;

13 “(B) were provided to a grantee and (i) re-
14 captured under this title, or (ii) not utilized by
15 the grantee in accordance with the purposes
16 and objectives of the approved application of
17 the grantee within a reasonable time period,
18 which the Secretary shall establish; or

19 “(C) are returned to the Secretary by the
20 time of such reallocation.

21 “(2) AMOUNTS ALLOCATED TO GRANTEES THAT
22 FAIL TO COMPLY WITH COMPREHENSIVE HOUSING
23 AFFORDABILITY STRATEGY REQUIREMENTS.—Not-
24 withstanding paragraph (1), if, for any fiscal year,
25 a metropolitan city or urban county fails to comply

1 with the requirement under section 405(1) during
2 the 90-day period beginning on the date that
3 amounts for grants under this title for such fiscal
4 year first become available for allocation, the
5 amounts that would have been allocated under sub-
6 section (c) of this section for such city or county
7 shall be reallocated for the State in which the unit
8 is located, but only if the State has complied with
9 the requirement under section 405(1). Any amounts
10 that cannot be allocated for a State under the pre-
11 ceding sentence shall be reallocated for other metro-
12 politan cities and urban counties and States that
13 comply with such requirement and demonstrate ex-
14 traordinary need or large numbers of homeless per-
15 sons, as determined by the Secretary.

16 “(e) REALLOCATION OF AMOUNTS.—Any amounts
17 allocated under subsection (b) that are recaptured pursu-
18 ant to subsection (d)(1) shall be reallocated only for use
19 under subtitle B. Any amounts allocated under subsection
20 (c) that are recaptured pursuant to subsection (d)(1) shall
21 be reallocated only for use under subtitle C.

22 **“SEC. 407. MATCHING FUNDS REQUIREMENT.**

23 “(a) IN GENERAL.—Each State, metropolitan city or
24 urban county, and insular area for which a grant under
25 this title is made shall supplement the amount of the grant

1 provided under this title with an amount that is not less
2 than—

3 “(1) 50 percent of the amount of such grant,
4 if the State, metropolitan city or urban county, and
5 insular area has indicated in its application for such
6 grant that it will not include as a portion of its
7 supplementation the cost or value of donated serv-
8 ices; or

9 “(2) 100 percent of the grant amount, if the
10 State, metropolitan city or urban county, and insular
11 area indicated in its application for such grant that
12 it will include as a portion of its supplementation the
13 cost or value of donated services.

14 “(b) MATCHING REQUIREMENT FOR USE OF MORE
15 THAN 30 PERCENT OF FUNDS FOR SUPPORTIVE SERV-
16 ICES.—In addition to the supplemental funds required
17 pursuant to subsection (a), for the second full fiscal year
18 after the date of the enactment of the Homeless Housing
19 Programs Consolidation and Flexibility Act and each fis-
20 cal year thereafter, a State or metropolitan city or urban
21 county shall supplement the funds allocated for the State,
22 city or county, or consortium pursuant to this subsection
23 in an amount equal to the amount used by that State or
24 metropolitan city or urban county for supportive services

1 in a fiscal year that exceeds 30 percent of the total amount
2 allocated pursuant to this subsection for that fiscal year.

3 “(c) TREATMENT OF INDEPENDENT STATE OR
4 LOCAL GOVERNMENT FUNDS.—Any State or local govern-
5 ment funds used independently from the program under
6 this title, or designated for such use, to assist the homeless
7 by carrying out activities that would be eligible for assist-
8 ance under this subtitle may be counted toward the
9 amount required pursuant to subsection (a).

10 “(d) AUTHORITY FOR GRANTEES TO REQUIRE
11 SUPPLEMENTATION.—

12 “(1) IN GENERAL.—Each grantee under this
13 title may require any subgrantee or project sponsor
14 to whom it provides such grant amounts to provide
15 supplemental amounts required under subsections
16 (a) and (b) with an amount of funds from sources
17 other than this title.

18 “(2) AMOUNT ALLOWED TO BE REQUIRED BY
19 GRANTEE.—

20 “(A) GRANT AMOUNT.—Except as pro-
21 vided in paragraph (3), the grantee may not re-
22 quire any subgrantee or project sponsor to
23 whom it provides such grant amounts under
24 this title to provide supplemental amounts re-
25 quired under subsection (a)(1), in an amount

1 exceeding 25 percent of the grant amount pro-
2 vided to the grantee or project sponsor and in
3 subsection (a)(2), in an amount exceeding 50
4 percent of the grant amount provided to the
5 grantee or project sponsor.

6 “(B) SUPPORTIVE SERVICES.—The grant-
7 ee may require any subgrantee or project spon-
8 sor to whom it provides grant amounts under
9 this title to provide supplemental amounts re-
10 quired under subsection (b) in an amount equal
11 to the amount used by subgrantee or project
12 sponsor for supportive services in a fiscal year
13 that exceeds 30 percent of the total amount al-
14 located pursuant to this subsection for that fis-
15 cal year.

16 “(3) SUPPLEMENTAL FUNDS MAY BE CONSID-
17 ERED AS MATCHING FUNDS.—Supplemental
18 amounts provided by a subgrantee or project sponsor
19 pursuant to this subsection may be considered sup-
20 plemental amounts for purposes of compliance by
21 any grantee with the requirement under subsections
22 (a) and (b).

23 “(e) USE OF FUNDS.—Any supplemental funds made
24 available in compliance with this section shall be available
25 only to carry out eligible activities (1) under subtitle B,

1 if the grant amounts are available only for such activities,
2 or (2) under subtitle C, if the grant amounts are available
3 only for such activities.

4 “(f) SUPPLEMENTAL FUNDS.—In determining the
5 amount of supplemental funds provided in accordance with
6 this section, the following amounts may be included:

7 “(1) Cash.

8 “(2) The value of any donated or purchased
9 material or building.

10 “(3) The value of any lease on a building.

11 “(4) The proceeds from bond financing validly
12 issued by a State or unit of general local govern-
13 ment, agency, or instrumentality thereof, and repay-
14 able with revenues derived from the activity assisted
15 under this title.

16 “(5) The amount of any salary paid to staff to
17 carry out a program for eligible activities under sub-
18 title B or C.

19 “(6) The cost or value of any donated goods.

20 “(7) The value of taxes, fees, or other charges
21 that are normally and customarily imposed, but
22 which are waived or foregone to assist in providing
23 housing or services for the homeless.

1 “(8) The cost of on-site and off-site infrastruc-
2 ture that is directly related to and necessary for pro-
3 viding housing or services for the homeless.

4 “(9) The cost or value of any donated services,
5 but only if the State, metropolitan city or urban
6 county, and insular area has stated in its application
7 for a grant under this title that it shall supplement
8 the amount of such grant, pursuant to section
9 407(a), with an amount that is not less than 100
10 percent of the amount of such grant.

11 “(g) REDUCTION IN MATCHING REQUIREMENTS.—

12 “(1) IN GENERAL.—The Secretary shall reduce
13 the matching requirement under subsection (a) dur-
14 ing a fiscal year by—

15 “(A) 50 percent for a jurisdiction that cer-
16 tifies that it is in fiscal distress; and

17 “(B) 100 percent for a jurisdiction that
18 certifies that it is in severe fiscal distress.

19 For purposes of subparagraphs (A) and (B), the jurisdic-
20 tion shall make the certification on behalf of a recipient
21 that is not a governmental jurisdiction.

22 “(2) DEFINITIONS.—For purposes of this sub-
23 section—

24 “(A) the term ‘fiscal distress’ means an al-
25 location unit of general local government, insu-

1 lar area, or State recipient that is a govern-
2 mental jurisdiction that satisfies one of the dis-
3 tress criteria set forth in paragraph (3); and

4 “(B) the term ‘severe fiscal distress’ means
5 an allocation unit of general local government,
6 insular area, or State recipient that is a govern-
7 mental jurisdiction that satisfies both of the
8 distress criteria set forth in paragraph (3).

9 “(3) DISTRESS CRITERIA.—For an allocation
10 unit of general local government, an insular area, or
11 a State recipient that is a governmental jurisdiction
12 certifying that it is distressed, the following criteria
13 shall apply—

14 “(A) POVERTY RATE.—The average pov-
15 erty rate in the jurisdiction for the calendar
16 year immediately preceding the year in which
17 its fiscal year begins was equal to or greater
18 than 125 percent of the average national pov-
19 erty rate during such calendar year (as deter-
20 mined according to information of the Bureau
21 of the Census).

22 “(B) PER CAPITA INCOME.—The average
23 per capita income in the jurisdiction for the cal-
24 endar year immediately preceding the year in
25 which its fiscal year begins was less than 75

1 percent of the average national per capita in-
2 come during such calendar year (as determined
3 according to information of the Bureau of the
4 Census).

5 “(4) STATES.—In the case of a State, the Sec-
6 retary shall reduce the matching requirement under
7 subsection (a) as provided by the preceding para-
8 graphs, except that the certification shall be made
9 with respect to the area, as determined by the Sec-
10 retary, in which the activities are to be carried out.

11 “(5) WAIVER IN DISASTER AREAS.—If a recipi-
12 ent is located in an area in which a declaration of
13 a disaster pursuant to the Robert T. Stafford Disas-
14 ter Relief and Emergency Assistance Act is in effect
15 for any part of a fiscal year, the Secretary may re-
16 duce the matching requirement for that fiscal year
17 under subsection (a) during that fiscal year by up to
18 100 percent.

19 **“SEC. 408. PROGRAM REQUIREMENTS.**

20 “(a) APPLICATIONS.—

21 “(1) FORM AND PROCEDURE.—The Secretary
22 shall make a grant under this title only pursuant to
23 an application for a grant submitted by an eligible
24 grantee in the form and in accordance with the pro-
25 cedures established by the Secretary. The Secretary

1 may not give preference or priority to any applica-
2 tion on the basis that the application was submitted
3 by any particular type of eligible grantee.

4 “(2) CONTENTS.—The Secretary shall require
5 that applications contain at a minimum the following
6 information:

7 “(A) GRANTS FOR PERMANENT HOUSING
8 DEVELOPMENT ACTIVITIES.—In the case of an
9 application for a grant available for use for ac-
10 tivities under subtitle B or an application for a
11 grant available for use under subtitle C for per-
12 manent housing development assistance—

13 “(i) a description of the permanent
14 housing development activities under sub-
15 title B to be assisted;

16 “(ii) a description of the entities that
17 will carry out such activities and the pro-
18 grams for carrying out such activities; and

19 “(iii) assurances satisfactory to the
20 Secretary that the facility will comply with
21 the requirement under subsection (j).

22 “(B) FLEXIBLE BLOCK GRANT HOMELESS
23 ASSISTANCE.—In the case of an application for
24 a grant available for use for activities under
25 subtitle C—

1 “(i) a description of the eligible activi-
2 ties to be assisted, to the extent available
3 at the time;

4 “(ii) in the case of a grant for a facil-
5 ity assisted under paragraph (1) or (2) of
6 section 421(a), assurances satisfactory to
7 the Secretary that the facility will comply
8 with the requirement under subsection (j);

9 “(iii) in the case of a grant for a sup-
10 portive housing facility assisted under this
11 title that does not receive assistance under
12 paragraph (1) or (2) of section 421(a), an-
13 nual assurances during the period specified
14 in the application that the facility will be
15 operated for the purpose specified in the
16 application for such period; and

17 “(iv) in the case of a grant for a sup-
18 portive housing facility, reasonable assur-
19 ances that the project sponsor will own or
20 have control of a site not later than the ex-
21 piration of the 12-month period beginning
22 upon notification of an award of grant as-
23 sistance, unless the application proposes
24 providing supportive housing assisted
25 under section 421(a)(3) or housing that

1 will eventually be owned or controlled by
2 the families and individuals served; except
3 that a project sponsor may obtain owner-
4 ship or control of a suitable site different
5 from the site specified in the application.

6 “(C) ALL GRANTS.—In the case of an ap-
7 plication for any grant under this title—

8 “(i) a description of the size and char-
9 acteristics of the population that will be
10 served by the eligible activities assisted
11 with grant amounts;

12 “(ii) a description of the public and
13 private resources that are expected to be
14 made available in connection with grant
15 amounts provided;

16 “(iii) a description of the process to
17 be used in compliance with section 404(b)
18 to select eligible activities to be assisted
19 and project sponsors;

20 “(iv) a certification that the applicant
21 will comply with the requirements of the
22 Fair Housing Act, title VI of the Civil
23 Rights Act of 1964, section 504 of the Re-
24 habilitation Act of 1973, and the Age Dis-

1 crimination Act of 1975, and will affirma-
2 tively further fair housing; and

3 “(v) a statement of whether the appli-
4 cant will or will not include, as a portion
5 of its supplementation amount required
6 under section 407(a), the cost or value of
7 donated services.

8 “(b) REQUIRED AGREEMENTS.—The Secretary may
9 not provide a grant under this title for any applicant un-
10 less the applicant agrees—

11 “(1) to ensure that the eligible activities carried
12 out with grant amounts will be carried out in ac-
13 cordance with the provisions of this title;

14 “(2) to conduct an ongoing assessment of the
15 supportive services required by homeless persons as-
16 sisted by the eligible activities and the availability of
17 such services to such persons;

18 “(3) in the case of grant amounts to be used
19 under subtitle C for a supportive housing facility or
20 an emergency shelter, to ensure the provision of
21 such residential supervision as the Secretary deter-
22 mines is necessary to facilitate the adequate provi-
23 sion of supportive services to the residents and users
24 of the facility or shelter;

1 “(4) to monitor and report under section 431 to
2 the Secretary on the progress of the eligible activi-
3 ties carried out with grant amounts;

4 “(5) to develop and implement procedures to
5 ensure (A) the confidentiality of records pertaining
6 to any individual provided family violence prevention
7 or treatment services through any activities assisted
8 with grant amounts, and (B) that the address or lo-
9 cation of any family violence shelter facility assisted
10 with grant amounts will not be made public, except
11 with written authorization of the person or persons
12 responsible for the operation of such facility;

13 “(6) to the maximum extent practicable, to in-
14 volve homeless persons and families, through em-
15 ployment, volunteer services, or otherwise, in carry-
16 ing out eligible activities assisted with grant
17 amounts; and

18 “(7) to comply with such other terms and con-
19 ditions as the Secretary may establish to carry out
20 this title in an effective and efficient manner.

21 “(c) OCCUPANCY CHARGE.—Any homeless person or
22 family residing in a dwelling unit assisted under this title
23 may be required to pay an occupancy charge in an amount
24 determined by the grantee providing the assistance, which
25 may not exceed an amount equal to 30 percent of the ad-

1 justed income (as such term is defined in section 3(b) of
2 the United States Housing Act of 1937 or any other sub-
3 sequent provision of Federal law defining such term for
4 purposes of eligibility for, or rental charges in, public
5 housing) of the person or family. Occupancy charges paid
6 may be reserved, in whole or in part, to assist residents
7 in moving to permanent housing.

8 “(d) FLOOD PROTECTION STANDARDS.—Flood pro-
9 tection standards applicable to housing acquired, rehabili-
10 tated, constructed, or assisted with grant amounts pro-
11 vided under this title shall be no more restrictive than the
12 standards applicable under Executive Order No. 11988
13 (42 U.S.C. 4321 note; relating to floodplain management)
14 to the other programs in effect under this title imme-
15 diately before the enactment of the Homeless Housing
16 Programs Consolidation and Flexibility Act.

17 “(e) PARTICIPATION OF CITIZENS AND OTHERS.

18 “(1) IN GENERAL.—Each recipient shall—

19 “(A) each fiscal year, make available to its
20 citizens, public agencies, and other interested
21 parties information concerning the amount of
22 assistance the jurisdiction expects to receive
23 and the range of activities that may be under-
24 taken with the assistance;

1 “(B) publish the proposed application in a
2 manner that, in the determination of the Sec-
3 retary, affords affected citizens, public agencies,
4 and other interested parties a reasonable oppor-
5 tunity to examine its content and to submit
6 comments on it;

7 “(C) each fiscal year, hold one or more
8 public hearings to obtain the views of citizens,
9 public agencies, and other interested parties on
10 the housing needs of the jurisdiction; and

11 “(D) provide citizens, public agencies, and
12 other interested parties with reasonable access
13 to records regarding any uses of any assistance
14 the recipient may have received under this sub-
15 title during the preceding 5 years.

16 “(2) ELECTRONIC ACCESS.—A grantee may
17 comply with the requirement under subparagraphs
18 (A), (B), and (D) of paragraph (1) by making the
19 information available through interactive computer
20 or telephone services or other electronic information
21 networks and systems appropriate for making such
22 information widely available to the public.

23 “(3) NOTICE AND COMMENT.—Before submit-
24 ting any substantial amendment to an application
25 under this Act, a recipient shall provide citizens with

1 reasonable notice of, and opportunity to comment
2 on, the amendment.

3 “(4) CONSIDERATION OF COMMENTS.—A recipi-
4 ent shall consider any comments or views of citizens
5 in preparing a final application or amendment to an
6 application for submission. A summary of such com-
7 ments or views shall be attached when an application
8 or amendment to an application is submitted. The
9 submitted application or amendment shall be made
10 available to the public.

11 “(5) AUTHORITY OF SECRETARY.—The Sec-
12 retary shall establish procedures appropriate and
13 practicable for providing a fair hearing and timely
14 resolution of citizen complaints related to applica-
15 tions under this subtitle.

16 “(6) HOMELESS INDIVIDUALS.—The Secretary
17 shall, by regulation, require each grantee to ensure
18 that each project sponsor assisted by the grantee
19 provides for the participation of not less than 1
20 homeless person or former homeless person on the
21 board of directors or other equivalent policymaking
22 entity of the project sponsor, to the extent that such
23 sponsor considers and makes policies and decisions
24 regarding any activity or facility, supportive services,
25 or assistance provided with grant amounts under

1 this title. The Secretary shall provide that a grantee
2 may grant waivers to project sponsors unable to
3 meet the requirement under the preceding sentence
4 if the sponsor agrees to otherwise consult with
5 homeless or formerly homeless persons in consider-
6 ing and making such policies and decisions.

7 “(f) LIMITATION ON USE OF FUNDS.—No grant
8 amounts received under this title (or any funds provided
9 under section 407 or otherwise to supplement such grants)
10 may be used to replace other State or local funds pre-
11 viously used, or designated for use, to assist homeless per-
12 sons.

13 “(g) LIMITATION ON ADMINISTRATIVE EXPENSES.—
14 Notwithstanding any other provision of this title, of any
15 grant amounts under this title used to carry out eligible
16 activities, the grantee or the project sponsor may use for
17 administrative purposes—

18 “(1) an amount not exceeding 5 percent of such
19 grant amount; or

20 “(2) if the grantee implements use of a stand-
21 ardized homeless database management system to
22 record and assess data on the usage of homeless
23 housing, services, and client needs, an amount not
24 exceeding 7.5 percent of such grant amount.

25 “(h) HOUSING QUALITY.—

1 “(1) REQUIREMENT.—Assistance may not be
2 provided with grant amounts made available for use
3 under this title for any permanent housing develop-
4 ment, dwelling unit, supportive housing facility, or
5 emergency shelter that fails to comply with the hous-
6 ing quality standards applicable under paragraph (2)
7 in the jurisdiction in which the housing is located,
8 unless the deficiency is promptly corrected and the
9 project sponsor verifies the correction.

10 “(2) APPLICABLE STANDARDS.—The housing
11 quality standards applicable under this subsection to
12 permanent housing, a dwelling unit, supportive hous-
13 ing facility, or emergency shelter shall be—

14 “(A) in the case of permanent housing, a
15 unit, facility, or shelter located in a jurisdiction
16 which has in effect laws, regulations, standards,
17 or codes regarding habitability of such housing,
18 units, facilities, or shelters that provide protec-
19 tion to residents of the dwellings that is equal
20 to or greater than the protection provided under
21 the housing quality standards established under
22 paragraph (3), such applicable laws, regula-
23 tions, standards, or codes; or

24 “(B) in the case of permanent housing, a
25 unit, facility, or shelter located in a jurisdiction

1 which does not have in effect laws, regulations,
2 standards, or codes described in subparagraph
3 (A), the housing quality standards established
4 under paragraph (3).

5 “(i) TERMINATION OF ASSISTANCE.—If a person or
6 family (not including residents of an emergency shelter)
7 who receives assistance under this title violates program
8 requirements, the project sponsor may terminate assist-
9 ance in accordance with a formal process established by
10 such sponsor that recognizes the rights of individuals re-
11 ceiving such assistance to due process of law, which may
12 include a hearing.

13 “(3) FEDERAL HOUSING QUALITY STAND-
14 ARDS.—The Secretary shall establish housing quality
15 standards under this paragraph that ensure that
16 permanent housing, dwelling units, supportive hous-
17 ing facilities, and emergency shelters assisted under
18 this title are safe, clean, and healthy. Such stand-
19 ards shall include requirements relating to habit-
20 ability, including maintenance, health and sanitation
21 factors, condition, and construction of dwellings. The
22 Secretary shall differentiate between major and
23 minor violations of such standards and may estab-
24 lish separate standards for permanent housing,

1 dwelling units, supportive housing facilities, and
2 emergency shelters.

3 “(j) USE RESTRICTIONS.—

4 “(1) ACQUISITION, REHABILITATION, AND NEW
5 CONSTRUCTION.—

6 “(A) IN GENERAL.—Except as provided in
7 subparagraph (B), each housing facility assisted
8 under subtitle B or subtitle C shall be operated
9 as housing for the purpose specified in the ap-
10 plication for assistance with amounts under this
11 title for not less than 20 years after such facil-
12 ity is initially placed in service pursuant to such
13 assistance.

14 “(B) EXCEPTIONS.—

15 (i) INABILITY TO OPERATE FACIL-
16 ITY.—If, within such 20-year period, the
17 need for maintaining the facility as hous-
18 ing for the purpose specified in the appli-
19 cation for assistance ceases to exist (as de-
20 termined by the Secretary pursuant to a
21 recommendation by the chief executive offi-
22 cer of the appropriate unit of general local
23 government or project sponsor, taking into
24 consideration the comprehensive housing
25 affordability strategy of the jurisdiction),

1 or the project sponsor is unable to operate
2 the facility as supportive housing, the facil-
3 ity may be used as affordable housing (in
4 accordance with section 215 of the Cran-
5 ston-Gonzalez National Affordable Housing
6 Act).

7 “(ii) APPLICABILITY OF OTHER PRO-
8 GRAM RESTRICTION.—If the housing facil-
9 ity receives assistance under any other
10 Federal program (including assistance
11 under section 42 of the Internal Revenue
12 Code of 1986) for low-income families,
13 homeless person, or any other use consist-
14 ent with assistance under this title, and
15 the use restriction under such program is
16 less than 20 years, the restriction under
17 such program shall apply.

18 “(2) OTHER ASSISTANCE.—Each housing facil-
19 ity assisted under subtitle C shall be operated for
20 the purposes specified in the application for assist-
21 ance with amounts under this title for the duration
22 of the period covered by the grant.

23 “(3) CONVERSION.—Notwithstanding para-
24 graphs (1) and (2), if the Secretary determines that
25 a housing facility is no longer needed for use as

1 housing for the purposes specified in the application
2 for assistance and approves the use of the facility
3 for the direct benefit of low-income persons pursuant
4 to a request for such use by the project sponsor, the
5 Secretary may authorize the sponsor to convert the
6 facility to such use.

7 “(k) REPAYMENT OF ASSISTANCE AND PREVENTION
8 OF UNDUE BENEFITS.—

9 “(1) REPAYMENT.—If a facility assisted under
10 subtitle B or subtitle C violates the requirement
11 under subsection (j)(1)(A) or (j)(1)(C) of this sec-
12 tion during the 10-year period beginning upon place-
13 ment of the facility in service pursuant to such as-
14 sistance, the Secretary shall require the grantee to
15 repay to the Secretary 100 percent of any grant
16 amounts received for such facility under such para-
17 graph. If such a facility violates such requirement
18 after such 10-year period, the Secretary shall require
19 the grantee to repay the percentage of any grant
20 amounts received for such facility that is equal to
21 100 percent minus 10 percentage points for each
22 year in excess of 10 that the facility is operated as
23 supportive housing.

24 “(2) PREVENTION OF UNDUE BENEFITS.—Ex-
25 cept as provided in paragraph (3), upon any sale or

1 other disposition of a facility assisted under subtitle
2 B or C occurring before the expiration of the 20-
3 year period beginning on the date that the facility
4 is placed in service, the project sponsor shall comply
5 with such terms and conditions as the Secretary may
6 prescribe to prevent the sponsor from unduly bene-
7 fitting from such sale or disposition.

8 “(3) EXCEPTION.—Paragraphs (1) and (2)
9 shall not apply to any sale or disposition of a facility
10 that results in the use of the facility for the direct
11 benefit of very low-income families if all of the pro-
12 ceeds are used to provide housing meeting the re-
13 quirements of subtitle B or C.

14 “(4) FAILURE TO OBTAIN SITE.—If a grantee
15 of assistance made available for use under this title
16 obligates assistance for a housing facility other than
17 a facility under section 421(a)(3) or housing that
18 will eventually be owned or controlled by the families
19 and individuals served, and the project sponsor fails
20 to obtain ownership or control of a suitable site for
21 a proposed supportive housing facility during the 12-
22 month period beginning upon the notification of an
23 award of grant assistance, the grantee shall recap-
24 ture the assistance and make such assistance avail-
25 able under this subtitle.

1 “(l) LOCAL BOARDS.—

2 “(1) ESTABLISHMENT AND FUNCTION.—The
3 head of the executive branch of government of each
4 grantee shall establish and appoint members to a
5 local board, which shall assist the jurisdiction in—

6 “(A) determining whether the grant should
7 be administered by the jurisdiction, a public
8 agency, a private nonprofit organization, the
9 State, or the Secretary;

10 “(B) developing the application under sec-
11 tion 408;

12 “(C) overseeing the activities carried out
13 with assistance under this title; and

14 “(D) preparing the performance report
15 under section 431.

16 “(2) COMPOSITION OF LOCAL BOARDS.—

17 “(A) NOMINATION.—Members of a local
18 board appointed to meet the requirements of
19 subparagraph (D) shall be nominated by per-
20 sons, other than governmental officials or enti-
21 ties, that represent the groups listed in sub-
22 paragraph (D).

23 “(B) PRIORITY.—Persons who will improve
24 access to a broad range of services for homeless
25 persons and who are sensitive to the varying

1 needs of homeless persons, including veterans,
2 the mentally ill, families with children, young
3 persons, battered spouses, victims of substance
4 abuse, and persons with AIDS, shall be given
5 preference when selecting local board members.

6 “(C) COMMUNITY SUPPORT CONSID-
7 ERED.—In appointing members to the local
8 board, the chief executive of each grantee shall
9 consider the extent of support for the nominee
10 in the community which the board shall serve.

11 “(D) MAJORITY.—Not less than 51 per-
12 cent of the members of a local board shall be
13 composed of—

14 “(i) homeless or formerly homeless
15 persons;

16 “(ii) persons who act as advocates for
17 homeless persons; and

18 “(iii) persons who provide assistance
19 to homeless persons.

20 “(E) OTHER LOCAL BOARD MEMBERS.—
21 After the requirements of subparagraph (D) are
22 met, other members of a local board shall be
23 chosen from—

24 “(i) members of the business commu-
25 nity of the jurisdiction receiving the grant;

1 “(ii) members of neighborhood advoca-
2 cates in the jurisdiction receiving the
3 grant; and

4 “(iii) government officials of the juris-
5 diction receiving the grant.

6 “(3) WAIVER OF REQUIREMENTS FOR LOCAL
7 BOARD.—The Secretary may waive the requirements
8 of this subsection if the jurisdiction has an existing
9 board that substantially meets the requirements of
10 this subsection.

11 “(m) COORDINATION OF HOMELESS PROGRAMS.—

12 “(1) PURPOSE.—The purpose of the consulta-
13 tion and coordination required under this subsection
14 is to provide various services, activities, and assist-
15 ance for homeless persons and families in an effi-
16 cient, effective, and targeted manner designed to
17 meet the comprehensive needs of the homeless.

18 “(2) IN GENERAL.—The Chairperson of the
19 Interagency Council on the Homeless shall consult
20 and coordinate with the Secretary of Housing and
21 Urban Development, the Secretary of Health and
22 Human Services, the Secretary of Labor, the Sec-
23 retary of Education, the Secretary of Veterans Af-
24 fairs, and the Secretary of Agriculture and shall en-
25 sure that assistance for federally funded activities

1 for the homeless is made available, to the greatest
2 extent practicable, in conjunction and coordination
3 with assistance for other federally funded activities
4 for the homeless and with assistance under this title.

5 “(3) REQUIREMENTS FOR HOUSING ASSIST-
6 ANCE.—The Secretary shall establish such require-
7 ments as the Secretary considers necessary to ensure
8 that grant amounts provided under this title are
9 used by grantees and project sponsors, to the great-
10 est extent practicable, in coordination and in con-
11 junction with federally funded activities for the
12 homeless.

13 “(4) DEFINITION.—For purposes of this sub-
14 section, the term ‘federally funded activities for the
15 homeless’ means activities to assist homeless persons
16 or homeless families that are funded (in whole or in
17 part) with amounts provided by the Federal Govern-
18 ment (other than amounts provided under this title)
19 and includes—

20 “(A) the programs for health care under
21 sections 340 and part C of title V of the Public
22 Health Service Act;

23 “(B) the programs for education, training
24 and community services under title VII of the
25 Stewart B. McKinney Homeless Assistance Act;

1 “(C) food assistance for homeless persons
2 and families through the food programs under
3 the Food Stamp Act of 1977 and the Emer-
4 gency Food Assistance Act of 1983;

5 “(D) the job training, housing, and medi-
6 cal programs for homeless veterans of the De-
7 partment of Veterans Affairs;

8 “(E) the job corps centers for homeless
9 families program under section 433A of the Job
10 Training Partnership Act;

11 “(F) the program for preventive services
12 for children of homeless families or families at
13 risk of homelessness under title III of the Child
14 Abuse Prevention and Treatment Act;

15 “(G) the programs under the Runaway
16 and Homeless Youth Act; and

17 “(H) assistance for homeless persons and
18 families under State programs funded under
19 supplemental security income programs under
20 part A of title IV or under title XVI of the So-
21 cial Security Act.

22 “(5) COMPANION SERVICES BLOCK GRANTS IN
23 CASES OF FAILURE TO COMPLY.—

24 “(A) IN GENERAL.—If, for any fiscal year,
25 the Chairperson of the Interagency Council on

1 the Homeless determines that adequate coordi-
2 nation has not taken place to ensure that as-
3 sistance for federally funded activities for the
4 homeless is made available in conjunction and
5 coordination with assistance under this title (as
6 required under paragraph (2)), the Chairperson
7 of the Interagency Council on the Homeless and
8 the Secretary, in consultation with the Inter-
9 agency Council on the Homeless, shall carry out
10 a program under subparagraph (B) to make
11 companion services block grants available for
12 such fiscal year.

13 “(B) COMPANION SERVICE BLOCK
14 GRANTS.—The block grant program under this
15 subparagraph shall provide block grants, using
16 amounts available pursuant to subparagraph
17 (C), to eligible grantees under this title to pro-
18 vide services of the type available under the
19 programs referred to in paragraph (4) in con-
20 nection with housing assistance under this title.

21 “(C) FUNDING.—

22 “(i) IN GENERAL.—Notwithstanding
23 any other provision of law, in any fiscal
24 year in which block grants are to be pro-
25 vided in accordance with subparagraph

1 (A), there shall be available for such block
2 grants, of the amount made available for
3 such fiscal year for each activity referred
4 to in paragraph (4), 10 percent of such
5 amount, as determined by the Secretary
6 and the Interagency Council on the Home-
7 less.

8 “(ii) LIMITATION.—Notwithstanding
9 clause (i), the aggregate amount available
10 for companion services block grants under
11 this paragraph for a fiscal year shall not
12 exceed the total amount made available
13 pursuant to section 435 for housing assist-
14 ance under this title. If, for any fiscal year,
15 the amount determined under clause (i) ex-
16 ceeds such amount, the Secretary shall re-
17 duce the percentage under clause (i) for
18 such year so that the aggregate amount
19 made available for companion services
20 block grants under this paragraph from
21 the amounts for each activity referred to in
22 paragraph (4) is equal to the total amount
23 made available pursuant to section 435 for
24 housing assistance under this title.

1 “(D) TRANSFER AUTHORITY.—Except to
2 the extent that the Secretary and the Chair-
3 person of the Interagency Council on the Home-
4 less’ authority is limited by appropriations, and
5 with the concurrence of the head of the affected
6 agency and upon advance approval of the Com-
7 mittees on Appropriations and the authorizing
8 committees of the House of Representatives,
9 and the Senate, the Secretary and the Chair-
10 person of the Interagency Council on the
11 Homeless shall transfer funds made available
12 under subparagraph (C) to the companion serv-
13 ices block grant for federally funded activities,
14 functions, or programs for the homeless.

15 “(E) REPORT.—Not later than the first
16 quarter of the first full fiscal year after the
17 date of the enactment of the Homeless Housing
18 Programs Consolidation and Flexibility Act and
19 each quarter thereafter, the Secretary and the
20 Chairperson of the Interagency Council on the
21 Homeless shall report to Congress on—

22 “(i) the need for any reprogramming
23 or transfer of funds appropriated for feder-
24 ally funded activities, functions, or pro-
25 grams for the homeless; and

1 “(ii) any funds appropriated for feder-
2 ally funded activities, functions, or pro-
3 grams for the homeless that were repro-
4 grammed or transferred during the quarter
5 covered by the report.

6 **“SEC. 409. SUPPORTIVE SERVICES.**

7 “(a) REQUIREMENT.—To the extent allowed by this
8 title, each project sponsor administering permanent hous-
9 ing development assistance provided with amounts under
10 this title or a supportive housing facility or emergency
11 shelter assisted with such amounts shall provide support-
12 ive services for residents of the dwelling units or facility
13 or shelter assisted. The array of supportive services pro-
14 vided may be designed by the grantee or the project spon-
15 sor administering the assistance, facility, or shelter. A
16 project sponsor administering a supportive housing facility
17 shall provide supportive services for other homeless per-
18 sons using the facility.

19 “(b) TARGETING POPULATIONS WITH SPECIAL
20 NEEDS.—Supportive services provided with grant
21 amounts under this title shall address the special needs
22 of homeless persons (such as homeless persons with
23 disabilities, homeless persons with acquired
24 immunodeficiency syndrome and related diseases, home-
25 less persons who have chronic problems with alcohol or

1 drugs (or both), and homeless families with children) in-
2 tended to be served.

3 “(c) SERVICES.—Supportive services may include ac-
4 tivities such as—

5 “(1) establishing and operating a child care
6 services program for homeless families;

7 “(2) establishing and operating an employment
8 assistance program;

9 “(3) providing outpatient health services, food,
10 and case management;

11 “(4) providing assistance in obtaining perma-
12 nent housing, employment counseling, and nutri-
13 tional counseling;

14 “(5) providing security arrangements necessary
15 for the protection of residents of supportive housing
16 or emergency shelters and for homeless persons
17 using supportive housing facilities;

18 “(6) providing assistance in obtaining other
19 Federal, State, and local assistance available for
20 such residents and persons (including mental health
21 benefits, employment counseling, and medical assist-
22 ance, but not including major medical equipment);
23 and

24 “(7) providing other appropriate services.

1 “(d) PROVISION OF SERVICES.—Supportive services
2 provided with grant amounts under this title may be pro-
3 vided directly by the grantee, by the project sponsor ad-
4 ministering the permanent housing development assist-
5 ance or the facility or shelter, or by contract with other
6 public or private service providers. Such services provided
7 in connection with a supportive housing facility may be
8 provided to homeless persons who do not reside in the sup-
9 portive housing, but only to the extent consistent with the
10 comprehensive housing affordability strategy under sec-
11 tion 105 of the Cranston-Gonzalez National Affordable
12 Housing Act for the applicable jurisdiction.

13 **“SEC. 410. NONDISCRIMINATION IN PROGRAMS AND AC-**
14 **TIVITIES.**

15 No person in the United States shall on the basis of
16 race, color, national origin, religion, or sex be excluded
17 from participation in, be denied the benefits of, or be sub-
18 jected to discrimination under any program or activity
19 funded in whole or in part with funds made available
20 under this subtitle. Any prohibition against discrimination
21 on the basis of age under the Age Discrimination Act of
22 1975 or with respect to an otherwise qualified handi-
23 capped individual, as provided in section 504 of the Reha-
24 bilitation Act of 1973, shall also apply to any such pro-
25 gram or activity.

1 **“Subtitle B—Permanent Housing**
2 **Development Activities**

3 **“SEC. 411. USE OF AMOUNTS AND GENERAL REQUIRE-**
4 **MENTS.**

5 “(a) USE OF AMOUNTS FOR PERMANENT HOUSING
6 DEVELOPMENT.—

7 “(1) AUTHORIZED USE.—A State, metropolitan
8 city, or urban county that receives a grant under
9 section 402(b)(2) from amounts allocated for use
10 under this subtitle may use grant amounts (and any
11 supplemental amounts provided under section 407)
12 only to carry out permanent housing development
13 activities within such State, metropolitan city, or
14 urban county. For purposes of this subtitle, the term
15 ‘permanent housing development activities’ means
16 activities to construct, substantially rehabilitate, or
17 acquire structures to provide permanent housing, in-
18 cluding the capitalization of a dedicated project ac-
19 count from which long-term assistance payments
20 (which may include operating costs or rental assist-
21 ance) can be made in order to facilitate such activi-
22 ties.

23 “(2) USE FOR SUPPORTIVE SERVICES PROHIB-
24 ITED.—Amounts allocated for use under this subtitle
25 may not be used for supportive services activities.

1 “(b) USE THROUGH NONPROFIT ORGANIZATIONS.—

2 “(1) IN GENERAL.—A grantee that receives
3 grant amounts for a fiscal year for use under this
4 subtitle may, pursuant to section 404, provide such
5 amounts to units of general local government and
6 private nonprofit organizations for use in accordance
7 with this subtitle, except that the grantee shall en-
8 sure that more than 50 percent of the amounts re-
9 ceived by the grantee for the fiscal year are used
10 through private nonprofit organizations.

11 “(2) WAIVER OF USE OF NONPROFIT REQUIRE-
12 MENT.—The Secretary may waive the requirement
13 under paragraph (1) that a grantee ensure that
14 more than 50 percent of the amounts received by the
15 grantee for the fiscal year are used through private
16 nonprofit organizations if the Secretary determines
17 that there are not sufficient private nonprofit orga-
18 nizations available to the grantee to meet that re-
19 quirement.

20 “(c) ADMINISTRATIVE FEE.—To the extent provided
21 in section 408(g), grant amounts provided under this sub-
22 title may be used by the project sponsor providing such
23 assistance for costs of administering such assistance.

24 “(d) TARGETING POPULATIONS WITH SPECIAL
25 NEEDS.—To the maximum extent practicable, a grantee

1 shall provide for use of grant amounts made available
2 under this subtitle in a manner that provides permanent
3 housing for homeless persons who are persons with disabil-
4 ities (including persons with physical and mental disabil-
5 ities), homeless persons who have acquired
6 immunodeficiency syndrome or related diseases, and
7 homeless persons who have chronic problems with alcohol
8 or drugs (or both).

9 **“SEC. 412. PERMANENT HOUSING DEVELOPMENT.**

10 “(a) IN GENERAL.—Housing shall be considered per-
11 manent housing for purposes of this title if the housing—

12 “(1) provides long-term housing for homeless
13 persons;

14 “(2) complies with any applicable State and
15 local housing codes, licensing requirements, or other
16 requirement in the jurisdiction in which the housing
17 is located, including any applicable State or local re-
18 quirements regarding the number of occupants in
19 such a facility; and

20 “(3) complies with the requirement under sec-
21 tion 409(a) regarding providing supportive services
22 for homeless persons.

23 “(b) CLARIFICATION.—Permanent housing may—

24 “(1) be restricted for occupancy by homeless
25 persons with disabilities; and

1 “(2) consist of or contain full dwelling units or
2 dwelling units that do not contain bathrooms or
3 kitchen facilities; and

4 “(3) be provided in the form of rental housing,
5 cooperative housing, shared living arrangements, sin-
6 gle family housing, or other types of housing ar-
7 rangements.

8 **“Subtitle C—Flexible Block Grant**
9 **Homeless Assistance**

10 **“SEC. 421. ELIGIBLE ACTIVITIES.**

11 “(a) IN GENERAL.—Grant amounts allocated for use
12 under this subtitle may be used only for carrying out the
13 following activities:

14 “(1) ACQUISITION AND REHABILITATION OF
15 SUPPORTIVE HOUSING.—For acquisition or rehabili-
16 tation of an existing structure (including a small
17 commercial property or office space) to provide sup-
18 portive housing other than emergency shelter or to
19 provide supportive services, the repayment of any
20 outstanding debt owed on a loan made to purchase
21 an existing structure for use as supportive housing
22 shall be considered to be a cost of acquisition under
23 this paragraph if the structure was not used as sup-
24 portive housing or to provide supportive services, be-
25 fore assistance is provided using grant amounts.

1 “(2) NEW CONSTRUCTION OF SUPPORTIVE
2 HOUSING.—For new construction of a structure to
3 be used as supportive housing.

4 “(3) LEASING OF SUPPORTIVE HOUSING.—For
5 leasing of an existing structure or structures, or por-
6 tions thereof, to provide supportive housing or sup-
7 portive services during the period covered by the ap-
8 plication.

9 “(4) OPERATING COSTS FOR SUPPORTIVE
10 HOUSING.—For covering operating costs of support-
11 ive housing (which shall include capital costs for uti-
12 lizing any interactive computer or telephone services
13 and other electronic information networks and sys-
14 tems appropriate for assisting homeless families); ex-
15 cept that grant amounts provided under this subtitle
16 may not be used to cover more than 75 percent of
17 the annual operating costs of such housing.

18 “(5) HOMELESSNESS PREVENTION.—

19 “(A) IN GENERAL.—For activities designed
20 to help persons and families avoid becoming
21 homeless, which shall include assistance for
22 making mortgage payments, rental payments,
23 and utility payments and any activities other
24 than those found by the Secretary to be incon-
25 sistent with the purposes of this Act.

1 “(B) PERSONS ELIGIBLE FOR ASSIST-
2 ANCE.—Assistance under this paragraph may
3 be provided only to very low-income families
4 who have received eviction (or mortgage delin-
5 quency or foreclosure) notices or notices of ter-
6 mination of utility services and who—

7 “(i) are unable to make the required
8 payments due to a sudden reduction in in-
9 come;

10 “(ii) need such assistance to avoid
11 homelessness due to the eviction or termi-
12 nation of services; and

13 “(iii) have a reasonable prospect of
14 being able to resume payments within a
15 reasonable period of time.

16 “(C) LIMITATION.—Assistance under this
17 paragraph may be provided only if such assist-
18 ance will not supplant funding for preexisting
19 homelessness prevention activities from other
20 services.

21 “(6) PERMANENT HOUSING DEVELOPMENT AC-
22 TIVITIES.—For providing permanent housing devel-
23 opment activities as described in subtitle B.

24 “(7) EMERGENCY SHELTER.—For—

1 “(A) renovation, major rehabilitation, or
2 conversion of a building or buildings to be used
3 as emergency shelters;

4 “(B) covering costs of supportive services
5 in connection with an emergency shelter, if such
6 services do not supplant any services provided
7 by the local government during any part of the
8 12-month period ending on the date of the com-
9 mencement of the operation of the emergency
10 shelter; and

11 “(C) covering costs relating to mainte-
12 nance, operation, insurance, utilities, and fur-
13 nishings for emergency shelters.

14 “(8) SUPPORTIVE SERVICES.—To the extent
15 provided in section 406, for covering costs of sup-
16 portive services provided to homeless persons in con-
17 nection with a permanent or supportive housing fa-
18 cility or otherwise.

19 “(9) TECHNICAL ASSISTANCE.—For technical
20 assistance in carrying out the purposes of this title,
21 except that the Secretary may provide such technical
22 assistance directly to any grantee.

23 “(b) USE FOR HOUSING ACTIVITIES.—Of the aggre-
24 gate of any grant amounts provided to a grantee for a
25 fiscal year for use under this subtitle and the supplemental

1 amounts provided for such fiscal year by the grantee in
2 accordance with section 407, the grantee shall ensure that
3 an amount that is not less than such grant amounts (less
4 any amount used pursuant to section 408(g)) is used for
5 eligible activities described in paragraphs (1) through (6)
6 of subsection (a).

7 “(c) USE FOR EMERGENCY SHELTERS.—Of the ag-
8 gregate of any grant amounts provided to a grantee for
9 a fiscal year for use under this subtitle, the grantee shall
10 ensure that not more than 15 percent may be used to
11 carry out eligible activities under subsection (a)(7). The
12 Secretary may waive the 15 percent limitation under the
13 preceding sentence for any fiscal year for a grantee who
14 demonstrates that due to exigent circumstances, (includ-
15 ing a natural disaster or an economic downturn) the com-
16 munity’s emergency shelter needs require such waiver.

17 **“SEC. 422. USE OF AMOUNTS THROUGH PRIVATE NON-**
18 **PROFIT PROVIDERS.**

19 “(a) IN GENERAL.—In each fiscal year, each grantee
20 of amounts for use under this subtitle shall ensure that
21 more than 50 percent of the amounts received by the
22 grantee for such fiscal year are used for carrying out eligi-
23 ble activities under section 421 through project sponsors
24 that are private nonprofit organizations.

1 “(b) WAIVER.—The Secretary may waive the require-
2 ment under subsection (a) that a grantee ensure that more
3 than 50 percent of the amounts received by the grantee
4 for the fiscal year are used through private nonprofit orga-
5 nizations if the Secretary determines that there are not
6 sufficient private nonprofit organizations available to the
7 grantee to meet that requirement.

8 **“SEC. 423. SUPPORTIVE HOUSING.**

9 “(a) IN GENERAL.—Housing shall be considered sup-
10 portive housing for purposes of this subtitle if—

11 “(1) the housing complies with the requirement
12 under section 409(a) regarding providing supportive
13 services for homeless persons;

14 “(2) the housing complies with any applicable
15 State and local housing codes and licensing require-
16 ments in the jurisdiction in which the housing is lo-
17 cated; and

18 “(3) the housing—

19 “(A) is transitional housing; or

20 “(B) is permanent supportive housing as
21 described in section 412.

22 “(b) TRANSITIONAL HOUSING.—For purposes of this
23 section, the term ‘transitional housing’ means housing, the
24 purpose of which is to facilitate the movement of homeless
25 persons and families to permanent housing within 24

1 months or such longer period as the Secretary determines
2 necessary. Assistance may be denied for housing based on
3 a violation of this subsection only if a substantial number
4 of homeless persons or families have remained in the hous-
5 ing longer than such period.

6 “(c) SINGLE ROOM OCCUPANCY DWELLINGS.—For
7 purposes of this section, a facility may provide supportive
8 housing or supportive services in dwelling units that do
9 not contain bathrooms or kitchen facilities and are appro-
10 priate for use as supportive housing or in facilities con-
11 taining some or all such dwelling units.

12 “(d) SAFE HAVEN HOUSING.—For purposes of this
13 section, supportive housing may be a structure or a clearly
14 identifiable portion of a structure that—

15 “(A) provides housing and low-demand
16 services and referrals for homeless individual
17 with serious mental illness—

18 “(i) who are currently residing pri-
19 marily in places not designed for, or ordi-
20 narily used as, a regular sleeping accom-
21 modation for human beings; and

22 “(ii) who have been unwilling or un-
23 able to participate in mental health or sub-
24 stance abuse treatment programs or to re-
25 ceive other supportive services; except that

1 a person whose sole impairment is sub-
2 stance abuse shall not be considered an eli-
3 gible person;

4 “(B) provides 24-hour residence for eligible
5 individuals who may reside for an unspecified
6 duration;

7 “(C) provides private or semi-private ac-
8 commodations;

9 “(D) may provide for the common use of
10 kitchen facilities, dining rooms, and bathrooms;

11 “(E) may provide supportive services to el-
12 igible persons who are not residents on a drop-
13 in basis; and

14 “(F) provides occupancy limited to no
15 more than 25 persons.

16 **“SEC. 424. EMERGENCY SHELTER.**

17 “(a) IN GENERAL.—A facility shall be considered
18 emergency shelter for purposes of this subtitle if the facil-
19 ity is designed to provide overnight sleeping accommoda-
20 tions for homeless persons and complies with the require-
21 ments under this section. An emergency shelter may in-
22 clude appropriate eating and cooking accommodations.

23 “(b) REQUIREMENTS.—Grant amounts under this
24 subtitle may be used for eligible activities under section
25 421(a)(7) relating to emergency shelter only if—

1 “(1) the Secretary determines that—

2 “(A) use of such amounts is necessary to
3 meet the emergency shelter needs of the juris-
4 diction in which the facility is located; and

5 “(B) the use of such amounts for such ac-
6 tivities will not violate the prohibition under
7 section 408(f); and

8 “(2) the project sponsor agrees that it will—

9 “(A) in the case of assistance involving
10 major rehabilitation or conversion of a building,
11 maintain the building as a shelter for homeless
12 persons and families for not less than a 10-year
13 period unless, within such 10-year period, the
14 need for maintaining the building as a full-time
15 shelter ceases to exist and the building is used
16 for the remainder of such period to carry out
17 other eligible activities under this subtitle;

18 “(B) in the case of assistance involving re-
19 habilitation (other than major rehabilitation or
20 conversion of a building), maintain the building
21 as a shelter for homeless persons and families
22 for not less than a 3-year period;

23 “(C) in the case of assistance involving
24 only activities described in subparagraphs (B)
25 and (C) of section 421(a)(7), provide services or

1 shelter to homeless persons and families at the
2 original site or structure or other sites or struc-
3 tures serving the same general population for
4 the period during which such assistance is pro-
5 vided;

6 “(D) comply with the standards of housing
7 quality applicable under section 408(h); and

8 “(E) assist homeless persons in obtain-
9 ing—

10 “(i) appropriate supportive services,
11 including permanent housing, medical and
12 mental health treatment (including infor-
13 mation and counseling regarding the bene-
14 fits and availability of child immunization),
15 counseling, supervision, veterans benefits,
16 and other services essential for achieving
17 independent living; and

18 “(ii) other Federal, State, local, and
19 private assistance available for homeless
20 persons.

21 **“Subtitle D—Reporting,**
22 **Definitions, and Funding**

23 **“SEC. 431. PERFORMANCE REPORTS BY GRANTEES.**

24 “(a) REQUIREMENT.—For each fiscal year, each
25 grantee under this title shall review and report, in a form

1 acceptable to the Secretary, on the progress it has made
2 during such fiscal year in carrying out the activities de-
3 scribed in the application resulting in such grant and the
4 relationship of such activities to the comprehensive hous-
5 ing affordability strategy under section 105 of the Cran-
6 ston-Gonzalez National Affordable Housing Act for the
7 applicable jurisdiction.

8 “(b) CONTENT.—Each report under this section for
9 a fiscal year shall—

10 “(1) describe the use of grant amounts provided
11 to the grantee for such fiscal year;

12 “(2) describe the number of homeless persons
13 and families provided shelter, housing, or assistance
14 using such grant amounts;

15 “(3) assess the relationship of such use to the
16 goals identified pursuant to section 105(b)(2) of the
17 Cranston-Gonzalez National Affordable Housing Act
18 in the comprehensive housing affordability strategy
19 for the applicable jurisdiction;

20 “(4) indicate the grantee’s programmatic ac-
21 complishments;

22 “(5) describe how the grantee would change its
23 programs as a result of its experiences; and

24 “(6) describe any delays that occurred in the
25 start up of programs and the reason for each delay.

1 “(c) SUBMISSION.—The Secretary shall establish
2 dates for submission of reports under this section and re-
3 view such reports and make such recommendations as the
4 Secretary considers appropriate to carry out the purposes
5 of this title. The Secretary may withhold or reallocate
6 funds granted to a grantee if the Secretary finds that the
7 grantee has complied with applicable program require-
8 ments, but not substantially complied with the application
9 that the grantee submitted to obtain such funds.

10 “(d) PUBLIC AVAILABILITY.—

11 “(1) IN GENERAL.—A grantee preparing a re-
12 port under this section shall make the report pub-
13 licly available to the citizens in the jurisdiction of
14 the grantee in sufficient time to permit such citizens
15 to comment on such report prior to its submission
16 to the Secretary, and in such manner and at such
17 times as the grantee may determine. The report
18 shall include a summary of any such comments re-
19 ceived by the grantee regarding its program.

20 “(2) ELECTRONIC ACCESS.—A grantee may comply
21 with the requirement under paragraph (1) by mak-
22 ing the report available through interactive computer
23 or telephone services or other electronic information
24 networks and systems appropriate for making such
25 information widely publicly available. The Secretary

1 shall make each final report submitted under this
2 section publicly available through such a computer,
3 telephone, or information service, network, or sys-
4 tem.

5 “(d) AUTHORITY OF SECRETARY.—The Secretary
6 shall establish procedures appropriate and practicable for
7 providing a fair hearing and timely resolution of citizen
8 complaints related to performance reports under this sec-
9 tion.

10 **“SEC. 432. ANNUAL REPORT BY SECRETARY.**

11 “The Secretary shall include in the annual report
12 under section 8 of the Department of Housing and Urban
13 Development Act information summarizing the activities
14 carried out under this title and setting forth the findings,
15 conclusions, and recommendations of the Secretary as a
16 result of the activities. Such information shall be made
17 publicly available through interactive computer or tele-
18 phone services or other electronic information networks
19 and systems appropriate for making such information
20 widely available to the public.

21 **“SEC. 433. DEFINITIONS.**

22 “For purposes of this title, the following definitions
23 shall apply:

1 “(1) APPLICANT.—The term ‘applicant’ means
2 an eligible grantee that submits an application under
3 section 408(a) for a grant under this title.

4 “(2) ELIGIBLE GRANTEE.—The term ‘eligible
5 grantee’ is defined in section 403.

6 “(3) FACILITY.—The term ‘facility’ means a
7 structure or structures (or a portion of such struc-
8 ture or structures) that are assisted through eligible
9 activities under subtitle C with grant amounts under
10 this title (or for which the Secretary provides tech-
11 nical assistance under section 421(a)(9)).

12 “(4) GRANTEE.—The term ‘grantee’ means an
13 applicant that receives a grant under this title.

14 “(5) INSULAR AREA.—The term ‘insular area’
15 means each of the Virgin Islands, Guam, American
16 Samoa, the Northern Mariana Islands, and any
17 other territory or possession of the United States.

18 “(6) METROPOLITAN CITY, URBAN COUNTY,
19 AND UNIT OF GENERAL LOCAL GOVERNMENT.—The
20 terms ‘metropolitan city’, ‘urban county’, and ‘unit
21 of general local government’ have the meanings
22 given the terms in section 102 of the Housing and
23 Community Development Act of 1974.

24 “(7) NONENTITLEMENT AREA.—The term ‘non-
25 entitlement area’ means an area that is not a metro-

1 politan city or part of an urban county and does not
2 include Indian tribes or insular areas.

3 “(8) OPERATING COSTS.—The term ‘operating
4 costs’ means expenses incurred by a grantee operat-
5 ing supportive housing assisted with grant amounts
6 under this title, with respect to—

7 “(A) the administration, maintenance, re-
8 pair, and security of such housing;

9 “(B) utilities, fuel, furnishings, and equip-
10 ment for such housing; and

11 “(C) the conducting of the assessment
12 under section 408(b)(2).

13 “(9) OUTPATIENT HEALTH SERVICES.—The
14 term ‘outpatient health services’ means outpatient
15 health care, outpatient mental health services, out-
16 patient substance abuse services, and case manage-
17 ment.

18 “(10) PERSON WITH DISABILITIES.—The term
19 ‘person with disabilities’ means a person who—

20 “(A) has a disability as defined in section
21 223 of the Social Security Act;

22 “(B) is determined to have, pursuant to
23 regulations issued by the Secretary, a physical,
24 mental, or emotional impairment which (i) is
25 expected to be of long-continued and indefinite

1 duration, (ii) substantially impedes an individ-
2 ual's ability to live independently, and (iii) is of
3 such a nature that such ability could be im-
4 proved by more suitable housing conditions; or

5 “(C) has a developmental disability as de-
6 fined in section 102 of the Developmental Dis-
7 abilities Assistance and Bill of Rights Act.

8 Such term shall not exclude persons who have the
9 disease of acquired immunodeficiency syndrome or
10 any conditions arising from the etiologic agent for
11 acquired immunodeficiency syndrome.

12 “(11) PRIVATE NONPROFIT ORGANIZATION.—
13 The term ‘private nonprofit organization’ means any
14 private organization that—

15 “(A) is organized under State or local
16 laws;

17 “(B) has no part of its net earnings inur-
18 ing to the benefit of any member, founder, con-
19 tributor, or individual;

20 “(C) complies with standards of financial
21 accountability acceptable to the Secretary; and

22 “(D) has among its purposes significant
23 activities related to the provision of—

1 “(i) decent housing that is affordable
2 to low-income and moderate-income fami-
3 lies; or

4 “(ii) shelter, housing, or services for
5 homeless persons or families.

6 “(12) PROJECT SPONSOR.—The term ‘project
7 sponsor’ means an entity that uses grant amounts
8 under this title to carry out a permanent housing
9 development program under subtitle B or eligible ac-
10 tivities under subtitle C. The term includes a grant-
11 ee carrying out such a program or activities.

12 “(13) SECRETARY.—The term ‘Secretary’
13 means the Secretary of Housing and Urban Develop-
14 ment.

15 “(14) STATE.—The term ‘State’ means each of
16 the several States and the Commonwealth of Puerto
17 Rico.

18 “(15) SUPPORTIVE HOUSING.—The term ‘sup-
19 portive housing’ means a facility that meets the re-
20 quirements of section 423.

21 “(16) SUPPORTIVE SERVICES.—The term ‘sup-
22 portive services’ means services under section 409.

23 “(17) VERY LOW-INCOME FAMILIES.—The term
24 ‘very low-income families’ has the same meaning
25 given the term under section 3(b) of the United

1 States Housing Act of 1937 (or any other subse-
2 quent provision of Federal law defining such term
3 for purposes of eligibility for, or rental charges in,
4 public housing).

5 **“SEC. 434. REGULATIONS.**

6 “(a) ISSUANCE.—Not later than the expiration of the
7 30-day period beginning upon the date of the enactment
8 of the Homeless Housing Programs Consolidation and
9 Flexibility Act, the Secretary shall issue interim regula-
10 tions to carry out this title. The Secretary shall issue final
11 regulations to carry out this title after notice and oppor-
12 tunity for public comment regarding the interim regula-
13 tions in accordance with the procedure under section 553
14 of title 5, United States Code, applicable to substantive
15 rules (notwithstanding subsections (a)(2), (b)(B), and
16 (d)(3) of such section), but not later than the expiration
17 of the 90-day period beginning upon the date of the enact-
18 ment of the Homeless Housing Programs Consolidation
19 and Flexibility Act.

20 “(b) RULE OF CONSTRUCTION.—Any failure by the
21 Secretary to issue any regulations under this section shall
22 not affect the effectiveness of any provision of this title
23 pursuant to section 4(b) of the Homeless Housing Pro-
24 grams Consolidation and Flexibility Act.

1 **“SEC. 435. AUTHORIZATION OF APPROPRIATIONS.**

2 “(a) IN GENERAL.—There are authorized to be ap-
3 propriated for grants under this title \$1,000,000,000 for
4 each of fiscal years 1998, 1999, 2000, 2001, and 2002.

5 “(b) APPLICABILITY.—The provisions of the amend-
6 ment made by subsection (a) shall apply with respect to
7 fiscal year 1998 and each fiscal year thereafter.

8 “(c) PROHIBITION ON SET ASIDES.—Notwithstand-
9 ing any other provision of law, any attempt to put any
10 restriction on the use of funds appropriated for this Act
11 (such as for use in special projects) shall be considered
12 an appropriation without authorization and shall be with-
13 out force or effect.”.

14 **SEC. 6. INTERAGENCY COUNCIL ON THE HOMELESS.**

15 (a) CHAIRPERSON AND VICE CHAIRPERSON.—Sec-
16 tion 202(b) of the Stewart B. McKinney Homeless Assist-
17 ance Act (42 U.S.C. 11312(b) is amended to read as fol-
18 lows:

19 “(b) CHAIRPERSON AND VICE CHAIRPERSON.—

20 “(1) CHAIRPERSON.—The Council shall elect a
21 Chairperson from among its members, who shall
22 have a term of 2 years. A member of the Council by
23 reason of any of paragraphs (1) through (16) of
24 subsection (a) who serves as Chairperson for a term
25 may not be elected to serve as Chairperson for the
26 succeeding term. The preceding sentence shall not

1 apply to any member serving as Chairperson on the
2 date of the enactment of the Homeless Housing Pro-
3 grams Consolidation and Flexibility Act.

4 “(2) VICE CHAIRPERSON.—The Vice Chair-
5 person of the Council shall have a term of 2 years
6 and shall be—

7 “(A) the Secretary of Housing and Urban
8 Development, if such Secretary is not elected as
9 the Chairperson of the Council; or

10 “(B) elected by the Council from among its
11 members, if the Secretary of Housing and
12 Urban Development is elected as the Chair-
13 person of the Council.

14 “(3) Notwithstanding paragraphs (1) and (2),
15 the first Chairperson elected after the date of the
16 enactment of the Homeless Housing Programs Con-
17 solidation and Flexibility Act may not be the Sec-
18 retary of Housing and Urban Development.”.

19 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
20 208 of the Stewart B. McKinney Homeless Assistance Act
21 (42 U.S.C. 11318) is amended to read as follows:

22 **“SEC. 208. AUTHORIZATION OF APPROPRIATIONS.**

23 “Of any amounts made available in any fiscal year
24 to carry out this Act, 0.0012 of such amounts shall be
25 available to carry out this title.”.

1 (c) TERMINATION.—Section 209 of the Stewart B.
2 McKinney Homeless Assistance Act (42 U.S.C. 11319) is
3 amended by striking “October 1, 1994” and inserting
4 “October 1, 2002”.

5 (d) REPEAL.—Section 210 of the Stewart B. McKin-
6 ney Homeless Assistance Act (42 U.S.C. 11320) is hereby
7 repealed.

8 **SEC. 7. REPEALS AND CONFORMING AMENDMENTS.**

9 (a) REPEALS.—The following provisions of law are
10 hereby repealed:

11 (1) INNOVATIVE HOMELESS INITIATIVES DEM-
12 ONSTRATION.—Section 2 of the HUD Demonstra-
13 tion Act of 1993 (42 U.S.C. 11301 note).

14 (2) FHA SINGLE FAMILY PROPERTY DISPOSI-
15 TION FOR HOMELESS USE.—Section 1407 of the
16 Housing and Community Development Act of 1992
17 (Public Law 102–550; 106 Stat. 4034).

18 (3) HOUSING FOR RURAL HOMELESS AND MI-
19 GRANT FARMWORKERS.—Subsection (k) of section
20 516 of the Housing Act of 1949 (42 U.S.C.
21 1486(k)).

22 (b) TERMINATION OF SRO ASSISTANCE PROGRAM.—
23 Section 8(e)(2) of the United States Housing Act of 1937
24 shall not be in effect on or after the date of the enactment
25 of this Act as provided in subsections (a)(4) and (b)(2)

1 of section 289 of the Cranston-Gonzalez National Afford-
 2 able Housing Act (42 U.S.C. 12839).

3 (c) CONFORMING AMENDMENTS TO YOUTHBUILD
 4 PROGRAM.—Title IV of the Cranston-Gonzalez National
 5 Affordable Housing Act is amended—

6 (1) in section 455(b) (42 U.S.C. 12899d(b)) by
 7 inserting “subtitle C of” before “title IV”; and

8 (2) in section 457(4) (42 U.S.C. 12899f(4)), by
 9 striking “section 103” and inserting “section 102”.

10 (d) CLERICAL AMENDMENT.—The table of contents
 11 in section 101(b) of the Stewart B. McKinney Homeless
 12 Assistance Act is amended by striking the items relating
 13 to titles I, II, III, and IV (including the items relating
 14 to the subtitles, parts, and sections of such titles) and in-
 15 serting the following new items:

“TITLE I—GENERAL PROVISIONS

- “Sec. 101. Short title and table of contents.
- “Sec. 102. General definition of homeless individual.
- “Sec. 103. Funding availability and limitations.
- “Sec. 104. Annual program summary by Comptroller General.

“TITLE II—INTERAGENCY COUNCIL ON THE HOMELESS

- “Sec. 201. Establishment.
- “Sec. 202. Membership.
- “Sec. 203. Functions.
- “Sec. 204. Director and staff.
- “Sec. 205. Powers.
- “Sec. 206. Transfer of functions.
- “Sec. 207. Definitions.
- “Sec. 208. Authorization of appropriations.
- “Sec. 209. Termination.

“TITLE III—FEDERAL EMERGENCY MANAGEMENT FOOD AND
 SHELTER PROGRAM

“Subtitle A—Administrative Provisions

- “Sec. 301. Emergency Food and Shelter Program National Board.
- “Sec. 302. Local boards.
- “Sec. 303. Role of Federal Emergency Management Agency.
- “Sec. 304. Records and audit of National Board and recipients of assistance.
- “Sec. 305. Annual report.

“Subtitle B—Emergency Food and Shelter Grants

- “Sec. 311. Grants by the Director.
- “Sec. 312. Retention of interest earned.
- “Sec. 313. Purposes of grants.
- “Sec. 314. Limitation on certain costs.
- “Sec. 315. Disbursement of funds.
- “Sec. 316. Program guidelines.

“Subtitle C—General Provisions

- “Sec. 321. Definitions.
- “Sec. 322. Authorization of appropriations.

“TITLE IV—PERMANENT HOUSING DEVELOPMENT AND
FLEXIBLE BLOCK GRANT HOMELESS ASSISTANCE PROGRAM

“Subtitle A—General Provisions

- “Sec. 401. Purpose.
- “Sec. 402. Grant authority.
- “Sec. 403. Eligible grantees.
- “Sec. 404. Use of project sponsors.
- “Sec. 405. Comprehensive housing affordability strategy compliance.
- “Sec. 406. Allocation and availability of amounts.
- “Sec. 407. Matching funds requirement.
- “Sec. 408. Program requirements.
- “Sec. 409. Supportive services.
- “Sec. 410. Nondiscrimination in programs and activities.

“Subtitle B—Permanent Housing Development Activities

- “Sec. 411. Use of amounts and general requirements.
- “Sec. 412. Permanent housing development.

“Subtitle C—Flexible Block Grant Homeless Assistance

- “Sec. 421. Eligible activities.
- “Sec. 422. Use of amounts through private nonprofit providers.
- “Sec. 423. Supportive housing.
- “Sec. 424. Emergency shelter.

“Subtitle D—Reporting, Definitions, and Funding

- “Sec. 431. Performance reports by grantees.
- “Sec. 432. Annual report by Secretary.
- “Sec. 433. Definitions.
- “Sec. 434. Regulations.
- “Sec. 435. Authorization of appropriations.”.

1 **SEC. 8. SAVINGS PROVISION.**

2 Nothing in this Act may be construed to affect the
3 validity of any right, duty, or obligation of the United
4 States or other person arising under or pursuant to any
5 commitment or agreement entered into before the date of
6 the enactment of this Act under any provision of law re-
7 pealed or amended by this Act.

8 **SEC. 9. TREATMENT OF PREVIOUSLY OBLIGATED**
9 **AMOUNTS.**

10 Notwithstanding the amendment or repeal of any
11 provision of law by this Act, any amounts appropriated
12 to carry out the provisions so amended or repealed that
13 are obligated before the date of the enactment of this Act
14 shall be used in the manner provided, and subject to any
15 requirements and agreements entered into, under such
16 provisions as such provisions were in effect immediately
17 before such date of enactment.